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SUBJECT: MEDIA REACTION: U.S.-CHINA RELATIONS, CHINA POLICY

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Editorial Quotes  
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1. U.S.-CHINA RELATIONS

"U.S. - China strategic partnership irreversible and increased differences inevitable"

The official Communist Youth League China Youth Daily (Zhongguo Qingnianbao)(01/11)(pg 5): "Since the beginning of 2010 U.S.-China relations have, just like the weather in the Northern hemisphere, been rapidly cooling off. The trade protectionist barrier that the U.S. built and their arms sales to Taiwan have both aroused the strong dissatisfaction of the Chinese people and government. Recently many American media and think tanks have become concerned about Sino-U.S. relations in the coming year. However, more insightful American intellectuals believe that the divergences and contradictions between the two countries won't influence the general trend of the two country's strategic cooperation. Li Cheng, the Director of the National Committee on U.S.-China Relations at the Brookings Institute, said that there is little basis for recent predictions by U.S. media and think tanks that U.S.- China relations will deteriorate. The overall Sino-U.S. relations situation is: the degree of interdependence between the two countries is so high, and the scope of exchanges so wide that the two countries must, and can, work together to resolve their problems. The pessimistic predictions about Sino-U.S. relations will only negatively influence the two people. Therefore the two countries should encourage and lead their people in having constructive discussions while, meanwhile, making an effort to prevent nationalism and protectionism from getting in the way of their respective foreign policies."

2. CHINA POLICY

a. "China in the eyes of the world: five myths and their genealogies"

The Shanghai-based Shanghai Media Group (SMG) publication, China Business News (Diyi Caijing)(01/11)(pg A6): " It is easy for people to believe certain theories about things they do not understand and cannot avoid. China's rise in national strength and international status is such a reality shrouded by myth. The world is often distracted and confused by these myths. There are five myths about China: first, the China-threat theory - taking China as imaginary enemy in order to extend their hostility against socialist countries during the Cold War and looking for excuses for the increased U.S. military presence in Asia. Such 'threats' are in fact the international order defined by the one-sided wish of the U.S. and its allies. China should focus on building a transparent, open and constructive international image that helps remove the world's speculations about China's threat. Second, China-triggers-resources-crisis theory - it is unfair to use the excuse of limited natural resources to restrict developing countries' development. China should present the world with more examples of its contributions to efficiently consuming resources and its efforts in promoting sustainable development. Third, the

China-collapse theory - the best response to this theory is China's sustained economic development and social stabilities; fourth, China's-responsibility theory - it is in fact a theory that appears to be kind on the outside but one which has careful calculations in its core. With the precondition of China's independence, what kinds of international responsibilities should China take on that would not be regulated or dominated by certain countries, but which could be shared through equal negotiations among all countries? Finally, Chinese-model theory - China should make unremitting efforts to explore its own road to bring peace and prosperity to its people. China does not pursue any kind of good-looking 'China model' but rather the 'China experience' which is able to solve its own problems."

### 13. FINANCIAL CRISIS

b. "'Rescue' the United States or balance the economy?"

The independent Chinese weekly business newspaper distributed in major cities throughout China, Economic Observer (Jingji Guanchabao)(01/11)(pg 42): " Unless the power which represents the rural and grassroots interests of China replaces the coastal urban elites and becomes the dominant force, China will continue to represent the Asian exporting countries which maintain the vitality of the U.S. economy. Meanwhile, the U.S. government hopes to win precious time by investing in the green economy and taking a leading role in the international economy's newly-emerging industries. In this way, the U.S. will be able to deal with the current global economic crisis and the decline of American power. This is also the Obama administration's long-term plan. The U.S. consumer market on which China relies is collapsing. The U.S. treasury bonds which China has to buy in large quantities are risky. If China transforms

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its development model and balances the domestic demand and exports, it can not only get rid of this dependence, but also help producers of other Asian countries and regions get rid of their risk. More importantly, if other developing countries can carry out a similar transformation and strengthen trade relations among developing countries, they can be each other's consumers, which will bring the developing world independent and balanced economic growth, thereby creating a new era. The Chinese Government's priority is that it should transform the self-confidence away from economic recovery and into a kind of courage, to dare to disregard the obstacles imposed by those interest groups who uphold the current imbalanced growth patterns and to promote the redistribution of wealth, which has long been delayed, to increase the individuals' income and their consuming capability."

HUNTSMAN